

HONOLULU LIQUOR COMMISSION

QUARTERLY NEWSLETTER



TEAM PLUS UPDATE

HLC launched the undercover sting operation Team PLUS in the summer of 2002 to combat underage drinking. We were surprised our findings revealed 7-out-of-10 on-premise licensed establishments served to minors. The results underscored the importance of targeting underage drinking, particularly in our hotels, restaurants and bars.

So what is Team PLUS? It's a Cancer Research Center of Hawaii (CRCH) project, in collaboration with the Honolulu Liquor Commission that focuses on combating underage drinking through research, education, and enforcement. "PLUS" stands for Preventing Liquor Underage Sales.

Each sting operation begins with a team of investigators (usually one or two Honolulu Liquor Commission investigators, a CRCH staff member, and a youth) visiting randomly selected establishments where the youth attempts to purchase alcohol. Youths 18 to 20 years of age served as decoys and attempted to purchase alcohol at each location. After making a purchase attempt and exiting the establishment, the youth completes a data collection form. At the sites where alcohol was sold, the liquor investigators then issued a citation to the server and the licensee. If the youth were asked, they were required to reply honestly about their age and present a valid identification if asked.

We have recently completed a follow-up sting operation in the fall of 2003 and results appear to show improvement. However, preliminary data shows that on-premise locations on Oahu served 4-out-of-10 minors. This continues to be a high rate, but has dropped significantly from our summer 2002 sting operation.

The results from the fall 2003 operation also shed light on how effective server training is. When servers asked for age **and** identification of the minor decoy, they ended up not serving them. If just the age **or** identification was requested, minor decoys were served 32 percent of the time. When **no** age or identification was requested, the minor decoys were served every time.

Examples of on-premise locations include restaurants, brewpubs, bars, and cabarets. Out of the study's sample size of 168 establishments, 69 served alcohol to minors (41.07%). The breakdown included 136 restaurants, 26 brewpubs/bars and 6 cabaret/club/others.

PROPOSED HLC FEE INCREASES FOR FY2005

As you may know, the HLC has proposed an increase in the license, trade name change, permit and filing fees contained in Rules 17.5-1, 17.5-8, 33.1-1 and 54-1.

LIQUOR LICENSE RENEWAL GENERAL INFORMATION

Liquor license renewal applications for the license period July 1, 2004, to June 30, 2005, (FY05), have been mailed to each licensee. If you have any questions in the renewal process, please call our Licensing Clerk at 527-5353. These are the key points to remember in the renewal process:

- 1 Renewal application submission deadline is **June 30, 2004**.
- 2 To receive your liquor license by mail, your request **must** be received by **June 1, 2004**. Licenses issued via mail should be received by licensee by June 21, 2004.
- 3 Renewal applications received by **June 1, 2004**, will be ready for pick up from June 16, 2004.
- 4 If the renewed license is not picked up or received by mail by **June 30, 2004**, you must stop selling liquor at **midnight, June 30, 2004**.
- 5 The last day to pick up a renewed liquor license is **August 2, 2004, 4:15 p.m.**
- 6 To assure the pick up or the mailing of the liquor license, all fines must be paid and a valid original (or certified copy) tax clearance submitted.

The Commission unanimously voted to adopt the proposed amended fee rules on Thursday, March 18, 2004. However, before these revised rules can become effective, Section 281-17.5 of the Hawaii Revised Statutes requires both the Mayor's and the City Council's approval. Approval is pending.

All licensees should submit their renewal license fees under the existing schedule and amounts contained in Rule 17.5-1. However, should the proposed increase be approved by the Mayor and the City Council during the July 1, 2004 to June 30, 2005 license year, HLC will request the new fees be pro-rated. That means licensees would be billed for a pro rata portion under the new 2004-2005 license fee schedule and any additional fees owed under the new fee schedule for 2004-2005 gross liquor sales.

GROSS SALES REPORT DUE AUGUST 2

All licensees are required to complete and file a Declaration of Gross Liquor Sales report and make full payment no later than August 2, 2004 (either filed with the HLC or postmarked with the U.S. Postal Service). You'll find the report form attached to your new license. Please contact the audit section at 527-6275 should you have any questions.

(OVER)

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SECOND QUARTER 2004



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AMENDMENTS TO LIQUOR RULES

The HLC is undertaking a comprehensive revision of its Rules. Since the last Rules revision in 1998, state lawmakers have made many changes to Chapter 281 of the Hawaii Revised Statutes, which require corresponding changes to our Rules, and the creation of new Rules.

All proposed Rules additions, deletions and/or modifications will be subject to review by the State Small Business Regulatory Review Board and the public hearing process prior to submission to the Mayor for final approval and implementation. At the public hearing, any interested party will have the opportunity to comment on the proposed revisions, either by oral or written testimony. The Commission hopes to complete the public hearing process this fall.

In the interim, licensees and all interested parties are encouraged to submit suggestions for proposed Rules revisions to the Commission. To assist us with keeping track of your suggestions, please do so in writing by mail or hand-delivery, care of the Administrator to 711 Kapiolani Blvd., Suite 600, Honolulu, HI 96813, or by email at liquor@co.honolulu.hi.us. We welcome and appreciate input from our licensees, and thank you in advance for your help with this important project.

NEW EFFORT TARGETS UNDERAGE DRINKING

A new three-year alcohol awareness campaign was launched last December to combat underage drinking. The program, called "Hawaii Cards Because Hawaii Cares," is a partnership between the Hawaii Hotel & Lodging Association, the Honolulu Liquor Commission (HLC), the Honolulu Police Department, the Department of Education and The Century Council, a not-for-profit organization dedicated to fighting drunk driving and underage drinking.

The first of three phases, Cops In Shops®, was formally launched on December 9, 2003. Cops In Shops® is a partnership between retailers and law enforcement officers designed to deter and

prevent youth under 21 from attempting to purchase alcohol and to prevent adults from purchasing alcohol for minors. The program, which has been used in 42 states across the country, places undercover officers and investigators in participating retail locations. Often, one undercover officer works inside the store while a second officer is positioned outside the establishment to apprehend adults who attempt to procure alcohol for youth.

Cops In Shops® places the focus on the perpetrators - minors who try to purchase the alcohol illegally. Participating retail establishments are displaying signs in their establishments with the message, "Under 21? Police Officers May Be Posing As Store Employees." Cops In Shops® display materials, "how-to" manuals and organization assistance are provided free-of-charge by The Century Council.

Should you have questions about the Cops In Shops® materials, please contact the Honolulu Liquor Commission's Chief Investigator, John Carroll, at 527-5399.

The program's second phase, Brandon Tells His Story, is a high school program in partnership with the Department of Education, was launched in March 2004. The program features Brandon Silveria, a permanently disabled young man who crashed his car after having a few drinks at age 17. Brandon and his father tour America's high schools to educate students about the dangers and consequences of underage drinking. The program in Hawaii will include an individual from the islands that has had a similar experience and will cover public high schools across the state through the Hawaii Hotel & Lodging Association's high school partnership program.

The third and final phase of the program is a partnership with the Department of Education and Hawaii-based universities to develop and deliver messages to students about the dangers of underage drinking. Student representatives will help develop the messages to ensure their effectiveness. This effort will consider a wide range of alternatives such as student-developed videos and The Century Council's Alcohol 101 and 101 Plus programs, among others.

OVERSERVICING CUSTOMERS

We want to remind all licensees that the HLC takes the issue of overservicing seriously, and all of our investigators have received updated training regarding recognizing intoxicated individuals. With that knowledge in hand, targeted enforcement of the overservicing laws and rules will happen throughout 2004.

PERSONNEL NEWS



John Carroll, Chief Investigator, far left and Wally Weatherwax, Administrator, far right, congratulate four HLC employees on their promotions in mid-April.

Pictured l to r: John Carroll; Allan Gaylord, Supervising Investigator; Robert Durick, Supervising Investigator; Ross Shinsato, Investigator III; Steve Murakami, Investigator III; and Wally Weatherwax.

William H. Lucas, who retired from the HLC in April 1976 after working 35 years with the organization, passed away in March. He served as executive secretary (now known as administrator) from 1949 to 1976. Bill was president of the National Association of State Liquor Administrators in 1961. Of note during his tenure, the Legislature legalized and recognized the existence of hostess bars and strip bars. The regulation of liquor through price controls also was problematic. Lucas met those challenges working collaboratively with many governmental agencies as well as the private industry. He is survived by a wife, two sons, two daughters and number of grandchildren, great-grandchildren and great-great grandchildren.

We are also sad to report that former HLC commissioner **Robert Umemura** also passed away in March. Umemura was a commissioner from January 1991 through April 1996 and served as chairman from January 1995 through April 1996.

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For more information, contact the Honolulu Liquor Commission at (808) 523-4458, fax: (808) 591-2700, visit our website at www.co.honolulu.hi.us/liq/, E-mail: liquor@co.honolulu.hi.us, or stop by our offices at 711 Kapiolani Blvd., Suite 600, Honolulu, Hawaii 96813-5249. Hours of operation are from 7:45 a.m. to 4:30 p.m., Monday through Friday (registration and cashier closes at 4:15 p.m.)